

Message Text

CONFIDENTIAL

PAGE 01 STATE 086353

50

ORIGIN EA-10

INFO OCT-01 ISO-00 L-02 PM-03 CIAE-00 INR-07 NSAE-00

NSC-05 SP-02 SS-15 IGA-01 AID-05 /051 R

DRAFTED BY EA/TB:VLTOMSETH:OASD/ISA:LTCHAVENS:

APPROVED BY EA/TB - GEORGE B. ROBERTS

L/SFP - MR. FIELDS

PM/ISO - MR. DWORKEN

OSD/GC - MR. ALMOND

----- 025969

R 152304Z APR 75

FM SECSTATE WASHDC

TO AMEMBASSY BANGKOK

CINCPAC

CSA

CNO

CSAF

INFO JCS

CINCPACAF

COMUSMACTHAI

CDR USA PROC AGENCY

CDR USACC

CDR 6TH SIG CMMD FT SHAFTER HI

C O N F I D E N T I A L STATE 086353

JOINT STATE/DEFENSE MESSJG

E.O. 11652: GDS

TAGS: MARR, TH

SUBJECT: TAX RELIEF FOR DOD CONTRACTORS IN THAILAND

REF: A. BANGKOK 2194 (NOTAL); B. CINCPAC 202147Z

MARCH 75; C. BANGKOK 4313

1. FOR BANGKOK: WHILE WE RECOGNIZE THE UNCERTAINTY

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 086353

CURRENTLY SURROUNDING THE OFFICIAL THAI ATTITUDE TOWARD

OUR MILITARY PRESENCE IN THAILAND MAKES MEANINGFUL PLANNING DIFFICULT, YOU SHOULD VONTINUE TO SEEK THAI ACQUIESCENCE IN A FORMAL AGREEMENT AS PROPOSED IN AMBASSADOR KINTNER'S LETTER TO FORMER PRIME MINISTER SANYA. HOWEVER, SINCE THE THAI HAVE NOT YET GIVEN POSITIVE INDICATION OF WILLINGNESS TO GRANT TAX RELIEF TO DOD CONTRACT OPERATIONS IN THAILAND, AFTER WE HAVE HAD AN INITIAL ROUND OF DISCUSSIONS ON THE LARGER ISSUE OF THE FUTURE OF OUR MILITARY PRESENCE, YOU SHOULD INFORM THEM WE ARE IMPLEMENTING CONTINGENCY PLANS WHEREBY ALL SERVICES WILL BE PERFORMED BY A COMBINATION OF U.S. SERVICEMEN AND DIRECT OR INDIRECT HIRE EMPLOYEES UPON THE EXPIRATION OF THE CURRENT CONTRACTS. YOU SHOULD SAY THAT THIS STEP IS NECESSARY TO PREVENT DISRUPTION OF VITAL SERVICES IN THE EVENT SATISFACTORY RESOLUTION OF THE TAX EXEMPTION ISSUE IS NOT ACHIEVED IN A TIMELY MANNER. AT THE SAME TIME, YOU SHOULD ELICIT THAI VIEWS TOWARD A TAX

AGREEMENT, AND IF THERE ARE OBJECTIONS, INVITE THEM TO SUGGEST A COMPROMISE WHICH WILL MEET OUR DESIRE FOR TAX RELIEF AND THEIR DESIRE TO ACQUIRE A GREATER SHARE OF DOD CONTRACT BUSINESS IN THAILAND.

2. FOR ACTION ADDRESSEES: FYI: IT MAY BE NECESSARY TO USE INDIRECT HIRES IN VIEW OF THE CURRENT STATUTORY CEILING ON TOTAL DOD HIRES. HOWEVER, THIS ALTERNATIVE WOULD REQUIRE A GOVERNMENT-TO-GOVERNMENT AGREEMENT. END FYI.

3. FOR MILITARY ACTION ADDRESSEES: YOU SHOULD CONTINUE TO PLAN FOR SHIFT TO IN-HOUSE OPERATIONS UPON THE EXPIRATION OF THE THREE SERVICE CONTRACTS.

4. FOR CINCPAC: REQUEST YOUR COMMENTS ON THE FEASIBILITY OF USING INDIRECT HIRES IN AN IN-HOUSE OPERATION.

5. FOR ALL ADDRESSEES: THERE SHOULD BE NO DISCUSSION OF THIS MATTER OUTSIDE OFFICIAL U.S. CIRCLES UNTIL SUCH A TIME AS BANGKOK HAS HAD AN OPPORTUNITY TO RAISE IT WITH THE RTG PER PARA 1 ABOVE. KISSINGER
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 086353

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY EXPENDITURES, MILITARY PROCUREMENT, SERVICE CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE086353
Document Source: CORE
Document Unique ID: 00
Drafter: VLTOMSETH:OASD/ISA:LTCHAVENS:
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750133-0189
From: STATE JOINT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750450/aaaabucx.tel
Line Count: 107
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 BANGKOK 2194, 75 (NOTA CINCPAC 202147Z
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 23 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 JUL 2003 by CunninFX>; APPROVED <21 NOV 2003 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TAX RELIEF FOR DOD CONTRACTORS IN THAILAND
TAGS: MARR, TH, US
To: BANGKOK MULTIPLE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006